

**TITLE 345 INDIANA STATE BOARD OF ANIMAL HEALTH****Economic Impact Statement**

LSA Document #11-88

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Economic Impact Statement****1. Description of the Rule**

The proposed rule establishes standards of care for livestock and poultry. The rule prescribes standards for:

- i. food and water;
- ii. shelter;
- iii. animal health and treatment;
- iv. stewardship; and
- v. handling and transportation.

The proposed rule does not apply to the care of livestock and poultry used in research.

**2. Description of Affected Industry**

The rule will affect any person that owns or cares for livestock and poultry. [IC 15-17-2-47](#); [IC 15-17-3-23](#).

The United States Department of Agriculture, National Agricultural Statistics Service (USDA NASS) 2007 Census of Agriculture reports that the livestock industry in Indiana is comprised of the following number of farms:

<b>Type of Livestock</b>	<b>Farms</b>
Beef cattle	9,790
Dairy cattle	1,462
Swine	1,959
Sheep	753
Goat	794
Equine	4,342
<b>TOTAL Livestock Farms</b>	<b>19,100</b>

The USDA NASS 2007 Census of Agriculture reports that the poultry industry in Indiana is comprised of the following number of farms:

<b>Type of Poultry</b>	<b>Farms</b>
Layers	3,583
Pullets for laying flock replacement	519
Broilers and meat-type chickens	594
Turkeys	498
Ducks	793
Emus	20
Geese	33
Ostriches	2
Pheasants	113
Pigeons or Squab	138
Quail	75
Other poultry	749
<b>TOTAL Poultry Farms</b>	<b>7117</b>

The USDA NASS 2007 Census of Agriculture reports the following livestock and poultry inventory in Indiana:

Cattle and calves	875,350
Hogs and pigs	3,669,057
Sheep	49,021
<b>Poultry Inventory</b>	
Layers	24,238,513
Pullets for laying flock replacement	6,928,062
Broilers and meat-type chickens	5,536,933
Turkeys	5,971,548
Ducks	1,538,664
Emus	103
Geese	2,234

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Pheasants	13,934
Pigeons or Squab	10,680
Quail	46,986
Other poultry	19,480

The USDA NASS 2002 Indiana equine survey reports 160,000 equine in Indiana.

### 3. Reporting, Record Keeping, and Other Administrative Costs

The proposed changes will not require additional record keeping or other administrative costs. There are no reporting requirements in this rule.

### 4. Estimated Total Annual Economic Impact on Small Businesses

The proposed rule prescribes requirements for small businesses that own or care for livestock and poultry. Livestock and poultry animals are dependent on humans for care that will enable them to survive. A person that owns or cares for livestock and poultry currently must provide for a basic level of care for the animals or the animals will deteriorate and eventually die. Animals in a deteriorated condition lose market value and livestock and poultry that die before they are slaughtered have no market value.

Indiana law currently prohibits certain practices relating to animals. It is a crime to endanger an animal's health by failing to provide food or drink to an animal that is dependent on the person for food or drink. [IC 35-46-3-7](#); [IC 35-46-3-0.5](#)(4). It is a crime to abandon an animal by leaving it in a place without providing for the care of the animal. [IC 35-46-3-7](#); [IC 35-46-3-0.5](#)(1). Beating, mutilating or torturing an animal is a crime. [IC 35-46-3-12](#). Indiana excludes "acceptable farm management practices" from these crimes. [IC 35-46-3-5](#)(5). The Indiana State Board of Animal Health (BOAH) assists law enforcement agencies and the courts with animal neglect and abuse cases by providing veterinary expertise to evaluate the animals involved. [IC 15-17-3-13](#)(30); [IC 35-46-3-6](#)(3).

Because of the economic consequences of failing to provide for the care of livestock and poultry and the prohibitions in criminal law relating to animals, there are currently strong incentives for animal owners and caretakers to provide basic care for livestock and poultry. Because of these strong incentives, most owners and caretakers of livestock and poultry are currently providing sufficient care for their animals. The proposed rule is intended to provide livestock and poultry owners and caretakers further definition of what care is required by outlining the core principles that must be met to care for these animals. The proposed rule also intends to provide an avenue for administrative resolution of allegations of substandard care.

The BOAH is estimating that owners and caretakers that are currently providing sufficient care will incur no additional costs because of the rule. The BOAH does not know how many owners or caretakers of livestock or poultry are currently not providing the care that the rule would require. The BOAH estimates the number of farms not providing this care is low as a percentage of the total number of farms. The census data described in section 2 of this document indicates there are approximately 26,217 livestock and poultry farms in Indiana with approximately 4,593,078 head of livestock and 44,307,137 head of poultry on these farms. The BOAH estimates the number of farms that are not currently providing sufficient care under the proposed rule at not more than one percent of the total number of farms, or approximately 262 farms. Therefore, the economic impact of the rule will be the cost to the deficient farms to raise their level of care to meet the standard.

The cost to a livestock and poultry producer to raise the standard of care from insufficient to sufficient will be partially offset by benefits they will receive from raising the level of care. Animals receiving insufficient care will generally be worth less than the same animals receiving appropriate care. The increase in the value of the animals benefits the animal owner. Animals receiving sufficient care are less prone to illness. The animal owner benefits from appropriate care by avoiding some of the costs associated with ill animals.

The proposed rule requires each of the following five standards for animal care be met:

#### Food and Water

A person must provide access to food and water that can reasonably be expected to maintain the health of livestock and poultry. A person with animals will already be providing some food and water to the animals because animals with no access to food and water will quickly deteriorate and die. The rule will require access to food and water that can be expected to maintain the animal's health. The BOAH does not know how many animal owners are not meeting this standard. However, the BOAH anticipates that it will be a small subset of the estimated 262 producers providing substandard care.

Animal owners that are not currently providing food and water sufficient to maintain the health of their animals will be required to do so by the proposed rule. Providing additional food or better quality food that is sufficient for the animals may cost more than a particular owner is currently paying for food. The additional cost will vary depending on the circumstances, such as the species and number of animals involved, the availability of the needed food in the area a particular owner is located, and the cost of the current food compared to the cost of the sufficient food. Each producer may choose their own methods to meet the standard and, therefore, may choose methods that minimize costs.

#### Shelter

The proposed rule requires access to sufficient shelter when it can reasonably be expected to be necessary to maintain the health of animals. Shelter is not required for all animals, but only when failure to provide shelter will negatively impact the animal's health. Some animals do not require shelter in most situations, such as cattle and horses. The BOAH does not know how many animal owners are not meeting this standard. However, the BOAH anticipates that it will be a small subset of the estimated 262 producers providing substandard care.

A person responsible for providing shelter has options for providing the shelter.

The proposed rule permits shelter that is man-made, such as barns and sheds, and shelter that is natural, such as trees, bushes, and topographical features. A person that chooses to provide man-made shelters will incur costs associated with building these shelters. If natural shelter is available, there is likely to be little if any cost. Each producer may choose their own methods to meet the standard and, therefore, may choose methods that minimize costs.

#### **Animal Disease, Injury, and Treatment**

The proposed rule requires a person to take reasonable measures to protect the animals from an injury or disease that can reasonably be expected to seriously endanger the life or health of animals. Each animal owner is currently providing some level of preventive protection for their animals. The proposed rule will require reasonable preventative measures that can be expected to maintain the health of the animals. The BOAH does not know how many animal owners are not meeting this standard. However, the BOAH anticipates that it will be a small subset of the estimated 262 producers providing substandard care.

Animal owners that are not currently taking reasonable measures sufficient to protect their animals from serious injury and disease threats will be required to do so by the proposed rule. The BOAH anticipates that this requirement will mean that some owners will have to take actions beyond what they are currently doing. Instituting protective measures for the animals may impose a cost on some owners. Not all modifications will require additional costs. When additional costs are necessary, the additional cost will vary depending on the circumstances, such as the species of animals involved, the hazard being mitigated, the available methods to mitigate a hazard, the owner's choice of mitigation methods, and the ability of the owner to mitigate on his or her own as opposed to contracting for assistance. The rule does not necessarily require veterinary assistance. Each producer may choose their own methods to meet the standard and, therefore, may choose methods that minimize costs.

A person responsible for caring for livestock or poultry with an injury or disease that seriously endangers the life or health of the animal must either:

1. Provide treatment that can reasonably be expected to be sufficient for animals of that species, breed, sex, and age, raised using the applicable production method; or
2. Euthanize the animal.

The BOAH does not know how many animals in any given period of time a producer may have that fall prey to a life-threatening injury or disease. The rule will require producers with seriously injured or diseased animals to take some action to either treat the animal or euthanize the animal. The BOAH does not know how many animal owners are not meeting this standard currently. However, the BOAH anticipates that it will be a subset of the estimated 262 producers providing substandard care.

Animal owners that are not currently treating or euthanizing seriously injured or sick animals will be required to do so by the proposed rule. Providing treatment that is sufficient for these animals may impose a cost beyond what a particular owner is currently paying to deal with these animals. The additional cost will vary depending on the circumstances, such as the species of animals involved, the injury or illness involved, and the ability of the owner to treat on his or her own as opposed to contracting for assistance. The rule does not necessarily require veterinary assistance.

An owner that chooses to euthanize a sick or injured animal may incur a cost to euthanize the animal that will vary depending on the method of euthanasia chosen. The animal owner will suffer a complete loss of the value of the euthanized animal. However, a seriously injured or diseased animal has little or no value. The animal owner may choose to treat instead of euthanize and, therefore, may take steps to mitigate any loss. Each producer may choose their own methods to meet the standard and, therefore, may choose methods that minimize costs.

#### **Stewardship**

A person responsible for caring for livestock or poultry must provide the animals with an environment that can reasonably be expected to maintain the health of animals of that species. Each animal owner is currently providing an environment of some kind for the animals. The proposed rule will not impose a new requirement for an environment. However, the proposed rule will require an environment that can be expected to maintain the health of the animals. The BOAH does not know how many animal owners are not meeting this standard. However, the BOAH anticipates that it will be a small subset of the estimated 262 producers providing substandard care.

Animal owners that are not currently providing an environment that is sufficient to maintain the health of their animals will be required to do so by the proposed rule. The BOAH anticipates that this requirement

will mean that some owners will have to remove hazards in the animal's current environment that may affect the animal's health. Removing hazards to provide a sufficient environment for the animals may impose a cost on some owners. Not all modifications will require additional costs. When additional costs are necessary, the additional cost will vary depending on the circumstances, such as the species of animals involved, the hazard being mitigated, and the ability of the owner to mitigate on his or her own as opposed to contracting for assistance. Each producer may choose their own methods to meet the standard and, therefore, may choose methods that minimize costs.

### **Handling and Transportation**

A person handling, restraining, or transporting livestock or poultry must use methods and equipment that can reasonably be expected to prevent an injury that would endanger the life or health of an animal. Each animal owner is currently handling, restraining and transporting their animals in some way. The proposed rule will not impose a new requirement to handle, restrain, or transport. However, the proposed rule will require handling, restraining, and transporting that can be expected to maintain the health of the animals. The BOAH does not know how many animal owners are not meeting this standard. However, the BOAH anticipates that it will be a subset of the estimated 262 producers providing substandard care. Animal owners that are not currently handling, restraining, or transporting in a manner that is sufficient to maintain the health of their animals will be required to do so by the proposed rule. The BOAH anticipates that this requirement will mean that some owners will have to modify their techniques for handling, restraining, or transporting. Modifying these techniques to comply with the rule may impose a cost on some owners, either through a change in labor demands or changes in equipment. Not all modifications will require additional costs. When an additional cost is necessary, the cost will vary depending on the circumstances, such as the species of animals involved, the technique being modified, and the ability of the owner to mitigate on his or her own as opposed to contracting for assistance. Each producer may choose their own methods to meet the standard and, therefore, may choose methods that minimize costs.

## **5. Justification for Costs**

Providing adequate care for livestock and poultry benefits the animals and livestock and poultry producers.

Providing adequate care for livestock and poultry benefits the animals. Livestock and poultry are dependent on humans for basic care that will enable them to survive. Deficient care may result in discomfort, pain, and suffering of the animals. The rule will provide guidance to livestock and poultry producers that will improve the care for some livestock and poultry, reducing discomfort, pain, and suffering in animals. The rule will provide the BOAH an avenue to investigate and address deficient care situations thereby reducing discomfort, pain, and suffering in animals.

Providing adequate care for livestock and poultry benefits livestock and poultry producers. Animals in a deteriorated condition caused by deficient care will lose market value. Livestock and poultry that die before they are slaughtered have no market value. Sufficient care will maintain or increase the market value of animals benefiting the owners of these animals. The rule will provide guidance to livestock and poultry producers that will aid them in making decisions about livestock and poultry care. The rule will provide an avenue to address deficient care situations outside of the criminal justice system, which may benefit some producers.

Inadequate care may result in livestock and poultry that are weaker and less healthy and, therefore, more susceptible to disease. Diseased livestock may grow slower and some may die. Livestock and poultry owners incur the cost of production disruptions and the cost to treat animal diseases. The proposed rule will prevent and remedy inadequate care and, therefore, contribute to a reduction in animal disease costs to producers.

## **6. Regulatory Flexibility Analysis**

The BOAH considered not adopting any standards of care. The Board decided that although the number of instances of insufficient care of livestock and poultry are likely to be small in relation to the total number of farms and animals under care in the state, the clear direction of the citizens through the Indiana General Assembly was to address those instances of substandard care that do occur. The BOAH decided that the current criminal statutes do not provide sufficient direction to owners and caretakers of livestock and a rule outlining core principles of animal care would provide direction that could prevent substandard care. The BOAH decided that the current criminal laws provide an avenue to address situations of extreme deprivation but are not well suited to address deficiencies before they become extreme. The BOAH decided that an administrative rule will permit the BOAH to work with livestock and poultry owners when care is insufficient to sustain the animal's health before the circumstances reach the level of being criminal.

The BOAH considered adopting very detailed and specific standards of care. Each species of livestock and each species of poultry need care that is tailored to the needs of that species. The method of production utilized on any particular farm will impact the specific care required for animals on that farm. A detailed rule would have encompassed standards for each species and different standards for different methods of production. The BOAH decided against this approach and instead identified core principles of care that apply to all species of livestock and poultry. The core principles of care identified and required in the proposed rule are then focused on the

outcome of the care provided. Each type of care that is provided must be suited to the species in a manner that maintains the health of the animal, whichever production method is used. In this way, the proposed rules utilize performance standards rather than design standards.

*Posted: 06/29/2011 by Legislative Services Agency*  
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